

In re: : Case No.: 18-22548-GLT
: Chapter: 13
Todd M. Smith :
: Date: 9/11/2019
: Time: 09:00
Debtor(s).

PROCEEDING MEMO

MATTER: #82 - Motion to Sell Property Free and Clear of Liens
under Section 363(f)
#85 - Response filed by Bayview Loan Servicing
#89 - Response filed by Chapter 13 Trustee

APPEARANCES:
Debtor: Julie Steidl
Trustee: Owen Katz
Also present: Lisa Farbarak (proposed buyer)

NOTES:

Steidl - Debtor contends the proposed sale was an arms-length transaction - property was listed on Craigslist, proposed buyer was found through Craigslist, and the proposed buyer has no connection to the bankruptcy.
There was no advertising done in the legal journal or on the Court website (which are the required forums).
The proposed sale is not going to pay off 100% of everything - it would likely be enough to cover two mortgages though.
The second mortgage is with a sister-in-law. The initial disbursement was for \$40,000, but there was allegedly an additional \$15,000 advanced without documentation. That will need to be addressed.

Any outstanding contingencies: none, title insurance has been paid, etc.

The property will now be listed in a paper of general circulation.

Katz - The trustee will want to examine the second mortgage before payment is authorized.

Court - Absent a real estate broker or required advertisement, the Court cannot be convinced that the property was adequately marketed. The sale hearing will be rescheduled and Debtor can appropriately advertise.

OUTCOME:

1. The sale motion [Dkt. No. 82] is continued to October 8, 2019 at 9 a.m. Debtor shall re-notice and advertise the sale in compliance with the Local Rules. [Text Order to Issue]
2. On or before Sept. 20, 2019, the Debtor shall submit an *Amended Order of Sale* to the Court which provides that the trustee will hold any sale proceeds payable on account of the second mortgage pending appropriate verification of the debt. [Text Order to Issue]

DATED: 9/11/2019